



August 30, 2007

Mr. John Burvainis
Acting Director
Public Service Commission
PO Box 94927
Lincoln, NE 68509-4927

RE: Docket Number NG-0051 / PI 130

Dear Mr. Burvainis:

We are writing in support of the Nebraska Resources Company's proposed pipeline beginning in Clay County to the City of Columbus in the first phase and continuing to the City of Norfolk in the second phase.

It is our understanding that the existing pipelines in the area, Northern Natural Pipeline (NN) and Kinder Morgan Interstate (KMI), are at or near capacity. If at capacity then future growth is restricted not only in the Columbus and Norfolk areas but in other communities in the area being served by these two pipelines. We have actually been advised by NN that because of new demand north of Palmyra Compressor Station, located in Otoe County, Nebraska, pipeline capacity is not readily available.

In addition to capacity concerns we are also supportive of having a choice of providers. This will help to ensure that Nebraska will pay competitive pipeline rates in the future. In customer surveys, KMI is rated low in customer service and we believe the best incentive to improve service is competition.

We ask that you approve Nebraska Resources Company's request.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Chesnut", is written over a horizontal line.

Gary Chesnut
Director of Purchasing

